

Economic Update **December 2018**



The **New Housing Price Index** for St. John's Metro was 98.5 in September 2018 down -0.4%*

The **Consumer Price Index** for St. John's Metro was 138.3 in October 2018 up 1.9%*

Retail trade for Newfoundland and Labrador was \$749 million in September 2018 down -0.3%*

* same month in the previous year.

... as of **October 2018**

Labour Force	121,800 (down 0.6%)
Unemployment Rate	9.0% (up 0.3 pts)
Employment	110,800 (unchanged 0.0)
Participation Rate	65.6% (up 2.2pts)

St. John's CMA, seasonally adjusted, three-month moving average. Percentage change reflects the same month previous year.

Business Briefs



Over \$1.3 billion bids for offshore oil exploration licenses

Newfoundland and Labrador has received a record number of bids for exploration licenses in the province's offshore. A total of \$1.38-billion in bids and a record single bid of \$621-million from BHP Billiton Petroleum in Eastern NL were received as a result of the most recent calls for bids in the Eastern Newfoundland Region and Jeanne d'Arc Region, both located in the Canada-Newfoundland and Labrador Offshore area. In less than 7% of the province's offshore, there is a combined resource potential of 49.2 billion barrels of oil, and 193.8 trillion cubic feet of gas. Equinor and its partners were the successful bidders for three new exploration parcels in the Jeanne d'Arc Basin. The company also holds partnership interests in the Hibernia, Terra Nova and Hebron fields.

St. John's metro area rental market has stabilized

More robust economic and demographic conditions throughout the St. John's area contributed to a decrease in the rental apartment vacancy rate in 2018, according to the results of Canada Mortgage and Housing Corporation's Rental Market Survey conducted in October 2018. The overall vacancy rate decreased to 6.3% from 7.2% and the average rent increased marginally by 1.6% to \$877. Demand for rental units varies depending on proximity to the city core area, where people are willing to pay a premium rent. The highest average two-bedroom rent was recorded within the units built since 2005 category at \$1,508, which captures units newly completed since the 2012 survey and represents a premium of \$547 above the overall two-bedroom average rent of \$961. The vacancy rate (10.9%) remains high in these recently built structures. Read more here: www.cmhc.ca.

O'Brien Farm as an agriculture incubator

The O'Brien Farm Foundation, along with the Governments of Newfoundland and Labrador and Canada, are partnering on an initiative that will benefit the agriculture sector, while also preserving the history of urban farming and Irish settlement in St. John's. The project will include constructing a learning centre, creating a community garden and developing farm incubator infrastructure, including a barn, fencing and equipment. Interior and exterior renovations to Thimble Cottage will also be undertaken, as well as improvements to the grounds and parking area as part of the three-year project. The initiative also aims to preserve the history of 200-year-old farm and to develop a tourism asset. The project will be supported with a \$863,750 investment from ACOA and the Department of Tourism, Culture, Industry and Innovation.



City Building Permits (year to date)

As of December 3, 2018 the value of:

- **Commercial** permits were up 82% to \$264,930,208 for 2018 over \$145,565,987 for 2017
- **Industrial** permits were valued at \$5,000 for 2018 and \$5,110,000 for 2017
- **Government/Institutional** permits were up from \$1,952,594 in 2017 to \$12,713,970 in 2018*
- **Residential** permits are down this year, 17% over 2017: \$69,519,524 for 2018 over \$84,218,875 for 2017
- **Repair** permits were down 20%, from \$3,217,798 in 2017 to \$2,576,805 in 2018
- **Total** value of all permits was up 46% to \$349,745,507 for 2018 over \$240,065,254 for 2017

* Note that this data does not include the full range of permit activity undertaken by the provincial government and Memorial University.



Business Approvals

City Initiatives



Breakaway Inc Thrift store, 45 Blackmarsh Rd.
Island Vape, 279 Portugal Cove Rd.
Cell phone accessories kiosk, Village Mall
Moss Development, 20 Hallet Cres.
Mogul restaurant, 430 Torbay Rd.

City of St. John's 10-YEAR Affordable Housing Strategy

The City of St. John's has released the [2018](#)

Café and deli, 720 Water St.

Home-based Businesses

Baked goods for delivery, 37 Bell's Turn
The Shop, SALT, 10 Merrymeeting Rd.
Office, 55 Rennies Mill Rd.

Year to Date 147

- Regular 102
- Home-based 45



Affordable Housing Strategy, a ten-year plan that continues and expands from the original Affordable Housing Business Plan's mandate that '*Housing is a human right. All people need and deserve a home in which they can afford to live, and the City should work to ensure such housing opportunities exist.*' A commonly accepted guideline for housing affordability is that housing costs should not exceed 30% of a household's annual income. Costs include, as applicable, rent, mortgage payments (principal and interest), property taxes, condominium fees, and payments for electricity, water and other municipal services. Approximately 12,100 households in the City of St. John's live in unaffordable housing based on this definition, spending more than 30% of income on housing costs. Through this new strategy, the City will leverage its own municipal resources to support and compliment solutions of other levels of governments across the housing continuum. The new strategy focuses on the following six directions which are each lined with actions: Unlocking Resources, Building Homes, Leading Innovation, Revitalizing Policy, Cultivating Partnership, Informing Action. The new strategy will be reviewed every three years to ensure the implementation is on the right track, and to determine if any refinements are needed.

Upcoming Events

Dec 11 [Facebook: Go Live and Thrive!](#)

Dec 13 [Business Solutions Pop-Up](#)

Dec 20 [Be a Trade Mission Insider: Passport for Growth](#)



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